

Message Text

UNCLASSIFIED

PAGE 01 TAIPEI 08264 160126Z
ACTION EA-09

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 CIEP-02 OMB-01
AID-05 PM-04 NSC-05 SP-02 SS-15 CIAE-00 INR-07
NSAE-00 /058 W

----- 019861 /63

R 150855Z DEC 76
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 2004
INFO AMCONSUL HONG KONG

UNCLAS TAIPEI 8264

HONG KONG FOR REGIONAL TREASURY REP

E.O. 11652: N/A
TAGS: EFIN, TW
SUBJECT: REDUCTION OF BANK INTEREST RATES

REF : TAIPEI 7066

1. IN A FURTHER EFFORT TO RELIEVE THE TIGHT MONEY SITU-
ATION WHICH HAS HAMPERED ROC INDUSTRY IN RECENT MONTHS,
THE CENTRAL BANK OF CHINA ANNOUNCED THE FOLLOWING REDUC-
TIONS IN INTEREST RATES EFFECTIVE DECEMBER 14:

	BEFORE	AFTER	
CATEGORY	ADJUST.	ADJUST.	CHANGE
-----	-----	-----	-----

I. ANNUAL RATES OF CBC

1. REDISCOUNTS	10.00	9.50	-0.5
----------------	-------	------	------

2. ACCOMMODATIONS AGAINST SECURED LOANS	11.25	10.75	"
--	-------	-------	---

3. TEMPORARY ACCOMMODATIONS	13.25	12.75	"
-----------------------------	-------	-------	---

4. ACCOMMODATIONS AGAINST GOV'T BONDS	11.25	10.75	"
---------------------------------------	-------	-------	---

NO CHANGES FOR "ACCOMMODATIONS IN FOREIGN CURRENCIES"
AND "ACCOMMODATIONS FOR EXPORT FINANCING (IN FOREIGN
CURRENCIES)".

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TAIPEI 08264 160126Z

II. ANNUAL RATES ON DEPOSITS IN COMMERCIAL BANKS

1. DEMAND DEPOSITS 1.25 1.00 -0.25

2. TIME DEPOSITS

A. ONE MONTH 7.00 6.50 -0.50
 B. THREE MONTHS 7.75 7.25 "
 C. SIX MONTHS 8.50 8.00 "
 D. NINE MONTHS 9.25 8.75 "
 E. ONE YEAR OR MORE 11.25 10.75 "

3. SAVINGS DEPOSITS

A. PASSBOOK SAVINGS 6.50 6.00 "
 B. ONE YEAR 11.25 10.75 "
 C. TWO YEARS 11.25 10.75 "
 D. THREE YEARS 11.25 10.75 "

III. ANNUAL RATES ON LOANS FROM COMMERCIAL BANKS

1. UNSECURED LOANS (MAX.) 13.25 12.75 "
 (MIN.) 13.00 12.50 "

2. SECURED LOANS (MAX.) 12.50 12.50 "
 (MIN.) 12.25 11.75 "

3. DISCOUNTS (MAX.) 11.25 10.75 "
 (MIN.) 11.00 10.50 "

4. LOANS FOR EXPORTS 7.00 7.00 -

2. COMMENT: DESPITE THE CLAIM BY THE CENTRAL BANK THAT THE INTEREST RATE REDUCTIONS REPORTED REFTEL HAD BEEN SUCCESSFUL IN HELPING ROC INDUSTRY SOLVE ITS FINANCIAL PROBLEMS, A FURTHER DECREASE HAS BEEN DEEMED NECESSARY TO SOLVE THE CONTINUING PROBLEMS. BOTH INDUSTRY AND GOVERNMENT SOURCES HAVE INDICATED THAT IT HAS NOT BEEN THE HIGH INTEREST RATES SO MUCH AS THE BANKS UNWILLINGNESS TO MAKE LOANS IN THE WAKE OF RECENT SCANDALS THAT HAS MADE IT DIFFICULT TO OBTAIN LOANS. THUS IT REMAINS UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TAIPEI 08264 160126Z

TO BE SEEN WHETHER THE LATEST REDUCTIONS WILL HAVE THE DESIRED EFFECT OF LOOSENING MONEY. THE GROC'S FEARS OF CREATING INFLATIONARY PRESSURES HAVE APPARENTLY EASED AS THE EARLIER REDUCTIONS, ALBEIT SMALL, DID NOT SEEM TO HAVE A NOTICEABLE INFLATIONARY IMPACT.
 UNGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, BANKS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TAIPEI08264
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760462-0470
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761239/aaaabhpi.tel
Line Count: 113
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 TAIPEI 7066
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by hattaycs>; APPROVED <23 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REDUCTION OF BANK INTEREST RATES
TAGS: EFIN, TW
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006